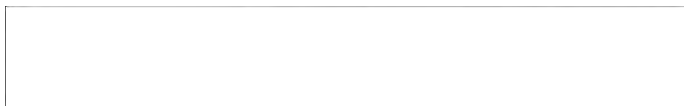




The President's Daily Brief

~~Top Secret~~ 21 October 1967



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DAILY BRIEF
21 OCTOBER 1967

1. Soviet Union

The Soviet public is beginning to be exposed to some of the real issues raised in Secretary McNamara's speech on antiballistic missiles a month ago. It is a contentious problem for Soviet policy makers and the commentators are dealing with it only by indirection and implication. Thus far, all the comment in the Soviet press seems to be shaded toward the side of those who would prefer negotiations to a new arms race.

Some Soviet writers have seized on stories in the foreign press which stress that participants in an ABM arms race would receive very little added security in return for the enormous cost of the system. As one commentator put it, "the illusion of nuclear invulnerability" created by full-scale ABM deployment could reduce the restraint of the nuclear powers in generating and coping with new world crises.

An article in an important Soviet weekly went on at length to describe the US decision as the product of US domestic politics--a move to head off future campaign slogans about an "ABM gap." The implication is that Moscow's own ABM system may have had a role in the US decision.

Soviet military publications, which might be expected to reflect views favoring full-scale ABM deployment, have remained silent.

Soviet commentators have yet to make any mention of Secretary McNamara's invitation for strategic arms talks. Moscow seems still unwilling or unable to commit itself on this.

2. Middle East

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3. Communist China

The Chinese are unaccountably dragging their feet on negotiations for Canadian wheat. Agreements on fall deliveries have usually been concluded by early summer. Peking may be just holding out for lower prices, but unless the Chinese get down to business soon it will be difficult to arrange deliveries for the peak period of need in the early spring.

About 2.6 million tons of Canadian wheat were imported in the crop year ending last June--but none since then. Current deliveries, coming only from a 1.5 million ton Australian contract, are to end in December.

The Chinese fall grain harvest, the year's biggest, is expected to be at least average this year and perhaps a little larger. Even so, the Chinese people will be tightening their belts next year unless talks are soon begun for Canadian wheat.

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4. United Kingdom

The British pound is once again in difficulty. It is taking a beating on foreign exchange markets

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Three factors seem mainly responsible: the release of very disappointing trade figures for September, the possibility of devaluation to meet Common Market conditions for British membership, and the continuing lethargy of the British economy. The growing rail and dock strikes are not helping.

5. Iran

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6. Algeria

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FOR THE PRESIDENT'S EYES ONLY

Special Daily Report on North Vietnam



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21 October 1967

Special Daily Report on North Vietnam
for the President's Eyes Only

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I. NOTES ON THE SITUATION

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Hanoi's "Present Thinking" on Peace Talks: The number two man in the Yugoslav embassy in Moscow called on his US counterpart on Wednesday to pass on what he said was Hanoi's present thinking on how to begin work toward a political settlement of the war. The Yugoslav stated that he had recently learned from a high Soviet official that not long ago Hanoi had reconfirmed to Moscow that it would definitely engage in talks following an unconditional bombing halt. The US Embassy believes the Yugoslav's talk with the high Soviet official probably took place on 16 October.

It strikes us that, if the Russians are trying to tell us something this way, they are following a curious route. The high Soviet official in

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question does not belong to the inner circle in Moscow, nor is there any particularly good reason why the Russians should need to use a Yugoslav go-between.

The Russians' reticence on the question of negotiations on Vietnam has been due to their urge to stay exactly in step with Hanoi and we think that, if and when Hanoi indicates to Moscow that it is ready to talk, the Russians will relay the signal clearly. Thus, if there is a serious purpose behind the Soviet-Yugoslav conversation, it should be followed by a more direct approach at a higher level.

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Polish and Rumanian Views: Embassy Rome learns that Polish and Rumanian diplomats in the Italian capital have been saying recently that a suspension of the bombing of North Vietnam would serve no purpose. They also say they are unable to account for Hanoi's rigidity.

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Hanoi "Refutes" Statements of Souvanna Phouma:
North Vietnam's Foreign Ministry issued a state-
ment broadcast by Hanoi on 20 October "refuting"
alleged "lies" attributed to Laotian Prime Minister
Souvanna Phouma. The statement claimed that while
preparing to meet President Johnson, Souvanna had
recently made repeated "slanders" against North
Vietnam which "reverse black and white." The North
Vietnamese were annoyed at Souvanna's assertions
that Northern troops are fighting in Laos.

According to Hanoi, these statements cannot
defend US "crimes" such as conducting bombing raids
in Laos and "scheming" to bring more US and "satel-
lite" troops into Laos, nor can they cover Sou
Souvanna's "collusion" with the US. The statement
repeated Hanoi's standard line on Laos--that North
Vietnam respects the 1962 Geneva Agreements and
demands that the US, the "Vientiane authorities,"
and other parties concerned do the same.

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First Chinese Reference to Secretary Rusk's
Press Conference: A People's Daily Commentary
yesterday asserted that President Johnson and Sec-
retary Rusk had recently pressed for negotiations
on Vietnam in order to enable the US to gain what
it "could not gain on the battlefield." The
article quoted Secretary Rusk's comments at his
12 October press conference that any time Hanoi was
interested in talks he would immediately set out
for negotiations to settle the Vietnam question.

The People's Daily Commentary repeats Peking's
standard opposition to US statements concerning
negotiations on the war. It is noteworthy in that
it contains the first specific reference the
Chinese have made to Secretary Rusk's press con-
ference; however, the article avoids any reference
to the Secretary's comments on China as a possible
danger to world peace.

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Soviet Comment on Hanoi's Engineers: A recent article in the leading Soviet military newspaper talks about bridge construction and traffic movements in North Vietnam.

For one thing, the article claims that the efficiency of North Vietnamese engineering troops has improved greatly. For example, a 100 meter pontoon bridge used to take three hours to set up; now it takes only 26 minutes. Also, 78 vehicles were recently moved across the Red River in three hours as compared with only a couple of dozen a night not so long ago.

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Hanoi Power Plant: Recent photography shows that repairs to the Hanoi Power Plant are proceeding slowly and that the plant cannot be completely restored before the end of the year.

Photography indicates that as of 18 October at least one of the three boilers damaged by air attacks was still unrepaired. In addition, one and possibly two of the plant's six turbine generators remain unrepaired.

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II. NORTH VIETNAMESE REFLECTIONS OF US POLITICAL ATTITUDES ON THE WAR

North Vietnamese Line on Embassy Saigon:
Hanoi, in a broadcast beamed to South Vietnam, has quoted a "recent New York Times article" to the effect that Ambassador Bunker--"ringleader of US authorities in Saigon"--has openly ordered his "lackeys Thieu and Ky" to carry out obediently all US instructions and not make any trouble for the Americans. The broadcast went on to assert that the article showed that the US embassy was putting strong pressures on the South Vietnamese government to accept all US political and military policies and claimed that "this brazen and arrogant pressure" was resulting in a strongly developed anti-US movement in all the southern cities.

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